

Congress of the United States
House of Representatives
Washington, DC 20515-3222

35

January 25, 2019

The Honorable Ajit V. Pai
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Pai:

I write today regarding the ongoing challenges my constituents are experiencing with Charter Communications, Inc (Charter). As you know, on May 5, 2016 the FCC approved the applications of (Charter), Time Warner Cable Inc. (Time Warner Cable), and Advance/Newhouse Partnership (Advance/Newhouse or Bright House) who were seeking to merge into a larger Charter. Since that merger, and the transition from Time Warner to Charter/Spectrum, hundreds of my constituents have contacted me to share stories of exorbitant rate increases. Some people who were paying just over \$100 a month for cable and internet service were paying about \$200 a month for the same service two years later. For working families and seniors living on a fixed income, these rate increases are unacceptable.

As you may know the State Attorney General's Office of New York announced a \$174 million settlement with Charter/Spectrum late last year, the largest of its kind in U.S. history. Spectrum will provide over \$100 million in services to consumers and \$62 million in refunds to customers the company defrauded with false claims in its advertisements about internet speeds. Further, the New York Public Service Commission (PSC) revoked Spectrum's 2016 acquisition of Time-Warner Cable's assets in New York last July and gave the company 60 days to file a "six month exit plan." Since then, Charter has received several extensions from the PSC, and the company currently has until February 11th to file its exit strategy.

The 2016 FCC settlement required "New Charter" to undertake a build-out program that will deploy high-speed broadband to 2 million more homes and a low-income broadband program for eligible households."¹ High speed broadband was described quite clearly as "at least a 60 Mbps download speed."² Based on the experience in my community, this high-speed broadband has not been expanded to consumers in Upstate New York. I write today on behalf of my constituents to inquire:

¹ "Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership For Consent to Assign or Transfer Control of Licenses and Authorizations," Pg. 4, <https://www.fcc.gov/document/commission-approves-charter-twc-and-bright-house-merger> (May 10, 2016).

² Ibid.

1. How does the FCC intend to monitor and enforce the 2016 requirement that Charter expand high-speed broadband to 2 million new customers?
2. As of January 2019, how many customers of the needed 2 million has Charter brought access to?
3. Should Charter not meet the conditions of the 2016 FCC agreement by the 2021 deadline, will the FCC commit to immediately revoking the agency's approval of the merger?

Chairman Pai, I know you share my commitment to expanding broadband access to rural communities and fostering competition to benefit consumers. My district is more than 50% rural, with roughly 375,000 people living in rural communities according to the U.S. Census. As you know, the rate of broadband deployment in urban areas has far outpaced deployment in rural and tribal areas. According to the FCC's Communications Marketplace Report, 24% of Americans in rural areas lack coverage from broadband, as compared to only 1.5% of Americans in urban areas. During my time in Congress, it will be my mission to expand access to broadband for rural consumers in my district, and I hope to partner with you on this issue.

Thank you very much for your attention to this matter and your timely response. I would also like to invite you to come visit my district at your convenience to learn more about expanding rural broadband in Upstate New York. If you have any questions, please feel free to contact my office.

Sincerely,



Anthony Brindisi
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

February 27, 2019

The Honorable Anthony Brindisi
U.S. House of Representatives
329 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Brindisi:

Thank you for your letter regarding the importance of affordable and reliable broadband in communities with limited access. Having grown up in rural Kansas, I know what the digital divide is like. That's why closing that divide is my top priority—and one that the Commission is working on all fronts to support.

That's why last year we streamlined rules to deploy the next-generation of wireless connectivity, known as 5G, encouraged carriers to replace aging copper with super-fast fiber on an expedited basis, launched the first auction for millimeter-wave spectrum, increased federal support for our rural healthcare program and for small, rural carriers serving high-cost areas, and held our nation's first reverse auction for fixed broadband support.

Importantly, the Commission also waived our high-cost rules for New York State in 2017 to better coordinate funding between the federal Universal Service Fund and the state's New NY Broadband Program. The Commission agreed to make available matching funds from its Connect America Fund for each dollar awarded by the state program. Commission staff is currently reviewing the applications filed by the state awardees at the end of last year. The results of all these actions will be felt throughout America, and especially in rural America, where as you know the case to build out broadband is all the harder for any business to make.

Regarding your specific questions about Charter's residential buildout obligations, the Commission required Charter to deploy high-speed broadband to two million additional customer locations no later than May 2021 and meet interim annual broadband deployment obligations leading up to that date.¹ To comply with the condition, Charter has been required to provide two reports per year that an Independent Compliance Office then reviews.² The most recent report, dated January 15, 2019, states that "Charter is in compliance with the Build-Out

¹ See *Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership For Consent to Assign or Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, MB Docket No. 15-149, 31 FCC Rcd 6327, 6544 (2016) (*Charter/TWC Order*).

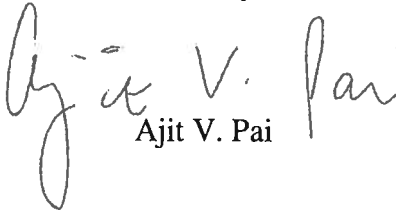
² See *id.* at 6546-47, 6554. On August 17, 2016, the Commission announced as ICO the Honorable Barbara S. Jones (ret.), a partner with the law firm Bracewell, who served for 16 years as a judge on the U.S. District Court for the Southern District of New York. *Independent Compliance Officer Identified in Accordance with Charter-Time Warner-Bright House Merger Condition*, Public Notice, 31 FCC Rcd 8996 (2016).

Condition and is on track to satisfy the terms of the Condition going forward.”³ Indeed, Charter has built out to at least 800,000 additional customer locations by the end of 2018, exceeding the target. I have attached a public version of that report for your review.

Should Charter fail to comply with the condition, the Commission may extend the conditions under the Order until completion of the required deployment and require a 5% increase in the yearly deployment obligations.⁴ In addition, in response to a material failure to comply with a condition, the Commission may impose other appropriate sanctions and remedies under applicable law, including a monetary forfeiture.⁵

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink that reads "Ajit V. Pai". The signature is written in a cursive, flowing style. Below the signature, the name "Ajit V. Pai" is printed in a standard, sans-serif font.

Ajit V. Pai

³ Independent Compliance Officer’s Fifth Report on Charter’s Compliance with the Residential Build-Out and Data Caps and Usage-Based Pricing Conditions, WC Docket No. 16-197, at 14 (Jan. 15, 2019).

⁴ *Charter/TWC Order*, 31 FCC Rcd at 6547.

⁵ *Id.* at 6557.